

027337
Q-35787



19LZ

FORM 10-Q

NG2-22601

SECURITIES AND EXCHANGE COMMISSION

500 North Capital Street, Room 130

Washington, D. C. 20549

PROCESSED BY

For Quarter Ended February 29, 1992

Commission file number: 0-17167

10/11/92

MAR 8 1992

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Pacific Energy & Mining Company

L30

(Exact Name of Registrant as Specified in its Charter)

Nevada

95-4144026

State or other jurisdiction
of incorporation

IRS Employer Identification Number

P.O. Box 18148
Reno, NV 89511

(702) 852-7444

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

On February 29, 1992 there were issued and outstanding 1,554,268 shares of the Common Stock, par value \$0.001 per share, and 1,032,500 shares of the Preferred Stock, par value \$0.001 per share, of the registrant.

BEST COPY
AVAILABLE

PACIFIC ENERGY & MINING COMPANY
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
CONDENSED
FEBRUARY 29, 1992

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Consolidated Balance Sheet - February 29, 1992 and August 31, 1991	1
---	---

Consolidated Statement of Operations - Three months ended February 29, 1992 and February 28, 1991 and six months ended February 29, 1992 and February 28, 1991	3
---	---

Consolidated Statement of Cash Flows - Six months ended February 29, 1992 and February 28, 1991	4
---	---

Notes to Unaudited Consolidated Financial Statements	6
--	---

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	7
--	---

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K	7
--	---

<u>SIGNATURES</u>	8
-------------------	---

PACIFIC ENERGY AND MINING COMPANY
CONSOLIDATED BALANCE SHEETS
February 29, 1992 and August 31, 1991

	February 29, 1992	August 31, 1991
ASSETS	-----	-----
	Unaudited	Unaudited
CURRENT ASSETS:		
Cash	\$ 2,477	\$ 8,443
Accounts Receivable	592,576	221,675
Other receivables	168,427	171,733
Inventory	653,650	729,429
Supplies and Prepaids	112,282	110,210
	-----	-----
TOTAL CURRENT ASSETS	1,529,412	1,241,490
	-----	-----
NET PROPERTY AND EQUIPMENT	1,018,694	1,092,062
	-----	-----
OTHER ASSETS		
Long term investments	27,827	22,699
Deferred costs	56,754	58,882
Due from related parties	57,007	43,905
	-----	-----
	141,588	125,486
	-----	-----
TOTAL ASSETS	\$ 2,689,694	\$ 2,459,038
	-----	-----

See Notes to Unaudited Consolidated Financial Statements.

PACIFIC ENERGY & MINING COMPANY
CONSOLIDATED BALANCE SHEETS
February 29, 1992 and August 31, 1991

	February 29, 1992	August 31, 1991
LIABILITIES AND SHAREHOLDERS' EQUITY	----- Unaudited	----- Unaudited
CURRENT LIABILITIES		
Short term borrowing	\$ 827,848	\$ 919,271
Accounts payable	828,537	863,499
Current maturities of long term debt	0	0
	-----	-----
TOTAL CURRENT LIABILITIES	1,656,385	1,782,770
	-----	-----
OTHER LIABILITIES		
Deferred liabilities	18,037	18,713
Long term debt	0	0
Due to related parties	311,069	292,697
	-----	-----
TOTAL OTHER LIABILITIES	329,106	311,410
	-----	-----
TOTAL LIABILITIES	1,985,491	2,094,180
	-----	-----
MINORITY INTEREST	107,822	33,872
	-----	-----
SHAREHOLDERS' EQUITY		
Preferred stock - authorized 10,000,000 par value \$.001, issued and outstanding 1,032,500	1,032	1,032
Common stock - authorized 100,000,000 shares par value \$.001 - issued and outstanding 1,554,268	1,554	1,554
Additional paid in capital	2,015,479	2,015,479
Dividends	(100,000)	(100,000)
Cumulative foreign currency translation adjustment	(492,561)	(465,278)
Retained Earnings (deficit)	(829,123)	(1,121,801)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	596,381	330,986
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,689,694	\$ 2,459,038
	-----	-----

See Notes to Unaudited Consolidated Financial Statements.

PACIFIC ENERGY & MINING COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended		Six Months Ended	
	February 29, 1992	February 28, 1991	February 29, 1992	February 28, 1991
	Unaudited	Unaudited	Unaudited	Unaudited
SALES	\$ 92,350	\$ 42,124	\$ 93,916	\$ 42,363
COSTS AND EXPENSES				
Cost of sales	45,371	(7,116)	45,371	12,500
Selling and admin. exp.	25,642	120,258	47,790	166,053
Interest	3,858	8,727	9,376	12,854
TOTAL COSTS AND EXPENSES	74,871	121,869	102,537	191,407
	17,479	(79,745)	(8,621)	(149,044)
OTHER INCOME (EXPENSES)-NET	29,924	2,066	376,308	3,384
NET INCOME/(LOSS) BEFORE MINORITY INTEREST	47,403	(77,679)	367,687	(145,660)
MINORITY INTEREST	10,607	1,261	75,009	(5,047)
NET INCOME/(LOSS)	\$ 36,796	\$ (78,940)	292,678	(140,613)
NET INCOME/(LOSS) PER COMMON SHARE	\$ 0.024	\$ (0.001)	0.188	(0.002)
WEIGHTED AVERAGE NUMBER OF COMMON STOCKS OUTSTANDING	1,554,268	86,510,000	1,554,268	86,510,000

See Notes to Unaudited Consolidated Financial Statements.

PACIFIC ENERGY & MINING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended February 29, 1992	For the six months ended February 28, 1991
	----- Unaudited	----- Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 40,756	\$ 51,091
Cash paid to vendors and employees	(17,002)	(100,065)
Interest paid	(9,376)	(12,854)
	-----	-----
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	14,378	(61,828)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(19,774)
Purchase of marketable securities		
Proceeds from sale of marketable securities		
Acquisition of partnership interest		
Partnership distributions	7,500	26,666
	-----	-----
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	7,500	6,892
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short-term and long- term borrowings	(27,656)	(9,083)
Principal payments under short-term and long-term borrowings		8,122
Payments received on insurance settlement		
Advances from related parties		39,575
Repayment to related parties		
	-----	-----
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(27,656)	38,614
	-----	-----
EFFECT OF FOREIGN CURRENCY TRANSLATION	(188)	(64)
	-----	-----
NET INCREASE (DECREASE) IN CASH	(5,966)	(16,386)
	-----	-----
CASH BALANCE, Beginning of period	8,443	53,500
	-----	-----
CASH BALANCE, End of period	\$ 2,477	\$ 37,114
	-----	-----

See accompanying Notes to Consolidated Financial Statements.

PACIFIC ENERGY & MINING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS, Continued

	For the six months ended February 29, 1992	For the six months ended February 28, 1991
	----- Unaudited	----- Unaudited
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED), BY OPERATING ACTIVITIES:		
Net income (loss)	\$ 292,678	\$ (140,613)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization of property and equipment	59,732	63,201
Minority interest in net income of subsidiary	(9,360)	(5,047)
Partnership income	(12,930)	(41,292)
Write-off of investments and advances		
Prior period adjustment securities	(325,753)	
(Increase) in equipment	(2,766)	
(Increase) in accounts receivable	(53,160)	8,728
(Increase) in other receivables	(1,276)	(958)
(Increase) decrease in inventory	49,529	(40,589)
(Increase) in prepaid expenses	(6,055)	7,183
(Increase) in deferred costs	0	0
Increase (decrease) in accounts payable and accrued expenses	(21,998)	109,508
Increase (decrease) in deferred liabilities		
Increase in due to related parties	5,270	
Other, net	40,467	(21,949)
	-----	-----
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 14,378	\$ (61,828)
	-----	-----

NONCASH TRANSACTIONS:

1. Effects of foreign currency translation
2. Changes in minority interest
3. Debentures converted to preferred stock
4. Common stock exchanged for common stock of Kamputech, Inc.
5. Common stock issued to related party in settlement of debt
6. Forgiveness of obligation to related party
7. Property and equipment acquired for debt
8. Due to related party converted to long-term debt
9. Property and equipment acquired from related party

See accompanying Notes to Consolidated Financial Statements.

PACIFIC ENERGY & MINING COMPANY
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

February 29, 1992

1. Comments

In the opinion of the management of the Company, the accompanying condensed unaudited financial statements contain all adjustments, consisting of only normal recurring accruals, necessary to present fairly the financial position at February 29, 1992, and cash flows for the six months ended February 29, 1992. Certain information and footnote disclosure normally included in financial statements that would have been prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although management of the Company believes that the disclosures in these financial statements are adequate to make the information presented therein not misleading.

The results of operations for the six months ended February 29, 1992 are not necessarily indicative of the results of operations to be expected for the full fiscal year ending 1992.

PACIFIC ENERGY & MINING COMPANY
February 29, 1992

Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations

Pakistan Chrome Mines Limited resumed sales on chrome ore and magnesite domestically in Pakistan, and has started to accumulate high grade refractory chrome ore for shipment under a contract to an international manufacturer of refractories. The contract calls for shipment of three thousand metric tons of 53% chrome ore at a price of \$175 per metric ton. Pakistan Chrome has applied for a \$3.0 million line of credit in order to complete the construction of the magnesite plant at the Karachi Export Processing Zone.

The criminal complaint against the company by the Los Angeles County District Attorney was dismissed by the Superior court, however a single count for the transportation of hazardous waste remains against the President of the company. On March 12, 1992 the President of the company and two associates were indicted by a Federal grand jury in Los Angeles. The indictment accuses the President of the company of Arson, conspiracy to commit arson, mail fraud and export of hazardous waste. The allegations contained in the Federal indictment were a result of the criminal charges by the LA County District Attorney. During March 1991 the Federal prosecutor and the Los Angeles County Prosecutor had offered the company and its President a plea agreement under which the President was to plead guilty to a single Federal charge of export of Hazardous waste. However the prosecutors stated that the failure of the President of the company to enter a guilty plea would result in a Federal indictment. The defendants in the indictment have denied all allegations and are looking forward to the trial. The companies current liabilities decreased \$126,385 while total liabilities decreased by \$108,689. Shareholders equity increased by \$265,395 over the same period, August 31, 1991 to February 29, 1992. Sales increased to \$92,350 compared to \$42,124 for the same period for 1991. Earnings for the six months ended February 29, 1992 were 18.8 cents per share versus a loss of 0.002 cents loss per share for the same period last year.

Part II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

Form 8-K Filed January 13, 1992 amending Form 10-K, Item 5. Market for Registrant's Common Stock and Related Stockholder Matters.

Signature

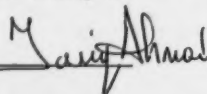
Pursuant to the requirements of the Securities Exchange Act of 1934, the company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Pacific Energy and Mining Co.

Date: February 19, 1992

TARIQ I. AHMAD

Tariq Ahmad
President



Date: February 19, 1992

RHONDA AHMAD

Rhonda Ahmad
Secretary

